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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY Rumania

SUBJECT Soviet Extortion in Foreign Trade and Reparations

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1. Rumanian payments in kind, on war reparations account, should have ended in Sep 1953. In spite of this, no agreement has as yet been signed, authorizing cessation of such shipments.
2. Rumanian deliveries in kind have been of two sorts--outright reparations compensating for war damage, and the profits of the Sovroms, about 3,671,000,000 US dollars. Under the peace treaty, reparations were to have been \$300,000,000 but as early as 1946 deliveries on this account had already exceeded \$1,000,000,000. Yet the Soviet authorities are finding fault with the Central Direction for their administration of the State Plan. For the still incomplete last three months of 1953, this has not reached more than eighty percent of what was anticipated.
3. The following departments are under fire:
Ministry of the Coal Industry
Ministry of Forestry
Industrial Enterprises for Foreign Trade
Ministry of the Food Industry.

The principal criticism is directed against the Industrial Enterprises for Foreign Trade. Rumanian foreign trade is already seventy-five percent with the Soviets, twenty percent with the other people's democracies, and only five percent with the free world.
4. As usual, trade agreements are imposed rather than negotiated. Rumania is forbidden to buy from other countries any commodity that the Soviet Union can supply. She is likewise forbidden to sell to other countries anything that the Soviet Union can itself buy or can itself resell, in other Satellite countries.
5. A trade agreement was signed in Oct 1953, between Rumania and Korea. Under this agreement, Rumania will grant North Korea economic aid, for which Rumania will not be reimbursed. Food shipments to North Korea have already increased considerably during the last two months.

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